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DEPT FOR NEA/I - TAECKER

E.O. 12958: N/A

TAGS: [EAID](#) [EFIN](#) [IR](#) [PGOV](#) [PREL](#) [IZ](#) [AE](#)

SUBJECT: INTERNATIONAL COMPACT WITH IRAQ (ICI) - UAE
CONSIDERING WHO TO SEND

REF: A. SECSTATE 50497

[1](#)B. SECSTATE 47346

[1](#)1. (U) As part of our continuing efforts to urge the UAE to attend the ICI signing ceremony and to reaffirm its decision to forgive Iraqi debt, Ambassador met with UAE Minister of State for Financial and Industrial Affairs Dr. Mohammed Khalfan bin Kharbash on April 17. Dr. Kharbash stated that the decision on who would represent the UAE would be UAE Foreign Minister Sheikh Abdulla bin Zayed Al-Nahyan's (AbZ) to make, and would depend partially on his availability. Dr. Kharbash also asked whether the recent resignation or the Sadrist members of the Iraqi cabinet would complicate the GoI's ability to implement reforms.

[1](#)2. (U) On April 10, Econchief met with Yacoub Al-Hosani, MFA Director of International Cooperation to deliver the same demarche. Al-Hosani asked whether this would be a pledging conference, Econchief reiterated our hope that the UAE would reaffirm its decision to forgive 80% or more of Iraq's debt and commit to a date and process to resolving that issue. On April 16, Econchief followed-up with Ministry of Finance A/US for Revenue and Budget Khalid Al-Bustani, who confirmed that MFA would make the final decision on assistance and attendance.

[1](#)3. (U) On April 16, Econchief met with Dr. Mustapha Kara, Director of the Arab Monetary Fund's Economic and Technical Department to urge the AMF to attend the signing ceremony as well. (Note: AMF Director General Jassem Al-Mannai was out of the UAE at the IMF/World Bank Spring meetings and deputized Dr. Kara to discuss the issue. End Note.) Dr. Kara said that he would brief Al-Mannai as soon as possible. In response to Econchief's question about discussions between Iraq and the AMF regarding Iraqi arrears to the fund, Kara said that he thought discussions were promising, but that they had not reached agreement on a repayment schedule. He confirmed that the AMF would not be able to extend new financing to the GoI until the Iraqis began to clear their arrears. He said that the AMF would probably be able to extend new funds, once a repayment schedule had been agreed on, although the AMF would be cautious about increasing Iraqi debt too greatly.

[1](#)4. (U) We will continue to follow-up with both the UAEG and the AMF.
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